
UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE
Date: January 19, 2001
www.bxa.doc.gov

CONTACTS: Eugene Cottilli
202-482-2721

TEXAS COMPANY SETTLES ANTIBOYCOTT CHARGES

WASHINGTON -- The U.S. Department of Commerce Department's Bureau of Export Administration today fined Perry Equipment Corporation, a Texas drilling equipment manufacturer, \$6,000 to settle allegations that Perry committed twelve violations of the antiboycott provisions of the Export Administration Regulations, Assistant Secretary of Export Enforcement, F. Amanda DeBusk, announced.

The Department of Commerce alleged that Perry failed to report, within the time period prescribed by the Regulations, its receipt of twelve requests to engage in a restrictive trade practice or boycott between April and August 1997. Eleven of the requests, which prohibited the importation of goods made in Israel, were from Pakistan. One of the requests, from the United Arab Emirates, required the shipper to strictly observe all regulations and instructions by the League of Arab States regarding the League's boycott of Israel.

While neither admitting nor denying the allegations, Perry agreed to pay the civil penalty. Perry voluntarily disclosed the transactions that led to the allegations and fully cooperated with the investigation.

The antiboycott provisions prohibit U.S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts against any country friendly to the United States that is not itself the object of any U.S. boycott. Through its Office of Antiboycott Compliance, the Commerce Department investigates alleged violations, provides support in administrative or criminal litigation of cases, and prepares cases for settlement.

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

In the Matter of

PERRY EQUIPMENT CORPORATION

Case No. 98-16

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce ("Department"), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the "Act")¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-744 (2000)), against Perry Equipment Corporation ("Perry"), a domestic concern resident in the State of Texas, based on the allegations set forth in the Proposed

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R. 1997 Comp. 306 (1998)), August 13, 1998, (3 C.F.R., 1998 Comp. 294 (1999)), August 10, 1999, (64 Fed. Reg. 44101, August 13, 1999), and August 3, 2000 (65 Fed. Reg. 48347 August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

Charging Letter, dated October 24, 2000, attached hereto and incorporated by this reference;

The Department and Perry having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement, having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$6,000 is assessed against Perry;

SECOND, Perry shall pay to the Department the sum of \$6,000 within thirty days of the date of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (U.S.C.A. §§ 3701-3720E (1983 and Supp. 2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Perry will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

FOURTH, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$6,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Perry. Accordingly, if Perry should fail to pay the sum of \$6,000 in a timely manner, I will enter an Order under the authority of Section 11(d) of the Act denying all of Perry's export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Perry.

This Order is effective immediately.


F. Amanda DeBusk
Assistant Secretary for Export Enforcement
Bureau of Export Administration

Entered this 16th day of January, 2001

Attachments

NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that Perry may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the dates by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 2000)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (2000)), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed Perry is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and Perry will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to Perry in accordance with Section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The checks should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The checks should be mailed to:

**U.S. Department of Commerce
Bureau of Export Administration
Room 6881
14th & Constitution Avenue, N.W.
Washington, D.C. 20230**

Attention: Zoraida Vazquez

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

In the Matter of

PERRY EQUIPMENT CORPORATION

Case No. 98-16

SETTLEMENT AGREEMENT

This agreement is made by and between Perry Equipment Corporation ("Perry"), a domestic concern resident in the State of Texas, and the Office of Antiboycott Compliance, Bureau of Export Administration, United States Department of Commerce ("Department"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991) & Supp. 2000)) (the "Act").¹

WHEREAS, the Department has notified Perry of its intention to initiate an administrative proceeding against Perry pursuant to Section 11(c) of the Act by issuing

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), August 10, 1999 (64 Fed. Reg. 44101, August 13, 1999), and August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

the Proposed Charging Letter, dated October 24, 2000, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Perry has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; Perry fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and Perry states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Perry neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Perry agrees to be bound by the appropriate Order ("Order") when entered;

NOW THEREFORE, Perry and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Perry with respect to the matters alleged in the Proposed Charging Letter.

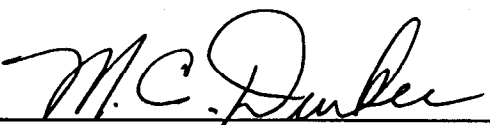
2. In complete settlement of all matters set forth in the Proposed Charging Letter, Perry will pay to the Department the amount of \$6,000 within 30 days of the date of the appropriate Order, when entered.
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Perry. Failure to make payment of this amount, in a timely manner, shall result in the denial of all of Perry's export privileges for a period of one year from the date of entry of the appropriate Order.
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Perry hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the appropriate Order, when entered) including, without limitation, any right to:
 - a. an administrative hearing regarding the allegations in the Proposed Charging Letter;
 - b. request a refund of the funds paid by Perry pursuant to this Settlement Agreement and the appropriate Order, when entered; or
 - c. seek judicial review or otherwise contest the validity of this Settlement Agreement or the appropriate Order, when entered.

5. The Department, upon entry of the appropriate Order, will not subsequently initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Perry, with respect to any violation of Section 8 of the Act or Part 769 or redesignated Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by the Department in the course of its investigation.
6. Perry understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by Perry that it has violated the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against Perry in any administrative or judicial proceeding.
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered. This Settlement Agreement shall not bind, constrain or otherwise limit any action by

any other agency or department of the United States Government with respect to the facts and circumstances herein addressed.

9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the appropriate Order.

PERRY EQUIPMENT CORPORATION



Date: 12/15/00

U.S. DEPARTMENT OF COMMERCE



Dexter M. Price
Director
Office of Antiboycott Compliance

Date: 12/29/2000



PROPOSED CHARGING LETTER

October 24, 2000

Perry Equipment Corporation
Wolters Industrial Park
P.O. Box 640
Mineral Wells, TX 76067

Attention: John E. Allen, Controller

Case No. 98-16

Dear Sir:

We have reason to believe and charge that you, Perry Equipment Corporation, ("Perry"), have committed twelve violations of the Export Administration Regulations currently codified at 15 C.F.R. Parts 730-774 (2000), (the "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the "Act").¹

We charge that you failed, in twelve instances, to report to the Office of Antiboycott Compliance your receipt of requests to engage in Restrictive Trade practices or boycotts, in accordance with Section 760.5 of the Regulations.

We allege that:

1. You are a domestic concern resident in the State of Texas and, as such, you are a United States person as defined in Section 760.1(b) of the Regulations.

¹The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), August 10, 1999, (64 Fed. Reg. 44101, August 13, 1999), and August 3, 2000 (65 Fed. Reg. 48347 August 8, 2000), continued the Regulations in effect under the International emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).



2. Between April 1997 and August 1997, you engaged in transactions involving the sale or transfer of goods or services including information from the United States to Pakistan and the United Arab Emirates, activities in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations.
3. In connection with the transactions referred to in paragraph 2 above, during April 1997 through August 1997, you received requests to engage in restrictive trade practices or boycotts (boycott requests) described in Table A, which is attached and incorporated by this reference.
4. You failed to report, in a timely manner, to the Department your receipt of these requests as required by Section 760.5 of the Regulations. You are in violation of Section 760.5 of the Regulations. We charge you with twelve (12) violations of Section 760.5 of the Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions.²

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and, under Section 766.18 of the Regulations, to seek a settlement agreement.

If you fail to answer the allegations contained in this letter within thirty days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between the Bureau of Export Administration and the U.S. coast Guard, the U.S. coast Guard is providing administration law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Therefore, in

²Administrative sanctions may include any or all of the following:

- a. A maximum civil penalty of \$11,000 per violation (see 15 C.F.R. § 764.4(a)(3) of the Regulations;
- b. Denial of export privileges (see § 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see § 764.3(a)(3) of the Regulations).

accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administrative at:

Office of the Chief Counsel for Export Administration
U.S. Department of Commerce
Room H-3839
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

The Office of the Chief Counsel for Export Administration may be contacted by telephone at (202) 482-5311.

Sincerely,

Dexter M. Price
Director
Office of Antiboycott Compliance

TABLE A

SCHEDULE OF ALLEGED VIOLATIONS OF SECTION 760.5

PERRY EQUIPMENT CORPORATION

(98-16)

<u>Item No.</u>	<u>Perry Reference No.</u>	<u>Date of Request</u>	<u>Date Reported</u>	<u>Country</u>	<u>Language</u>
1	QF018837	04/17/1997	01/22/1998	Pakistan	A
2	QM007740	04/17/1997	01/22/1998	Pakistan	A
3	QF01983	04/17/1997	01/22/1998	Pakistan	A
4	QF018974	04/22/1997	01/22/1998	Pakistan	A
5	QF019807	05/22/1997	01/22/1998	Pakistan	A
6	QM008373	05/28/1997	01/22/1998	UAE	B
7	QM008940	07/23/1997	01/22/1998	Pakistan	A
8	QM009043	08/11/1997	01/22/1998	Pakistan	A
9	QF022311	08/21/1997	01/22/1998	Pakistan	A
10	QM009347	08/26/1997	01/22/1998	Pakistan	A
11	QF022695	08/27/1997	01/22/1998	Pakistan	A
12	QF022543	08/29/1997	01/22/1998	Pakistan	C

A. "No import shall be permissible from Israel"

B. "ARTICLE 31: BOYCOTT OF ISRAEL SUPPLIER and his assignees, SUBCONTRACTORS shall abide by and strictly observe all regulations and instructions in force from time to time by the league of Arab States regarding the Boycott of Israel especially those related to blacklisted companies, ships and persons."

C. "Prohibitions: Goods originating from Israel are not permitted."